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5 UNITED STATES DISTRICT COURT
6 WESTERN DISTRICT OF WASHINGTON
7 AT SEATTLE

8 WHOLESALER EQUITY
9 DEVELOPMENT CORPORATION, a
10 Delaware corporation,

11 Plaintiff,

12 v.

13 PETER BARGREEN and CROWN
14 DISTRIBUTING COMPANY OF
15 EVERETT, INC., a Washington
16 corporation,

17 Defendants.

Case No. C20-1095RSM

ORDER DENYING MOTION TO
CLARIFY PRELIMINARY INJUNCTION

18 This matter comes before the Court on Defendants Peter Bargreen and Crown
19 Distributing Company of Everett, Inc. (“Crown of Everett”)'s Motion to Clarify Preliminary
20 Injunction. Dkt. #43. The Court has determined that oral argument is unnecessary.
21

22 The facts of this case have already been set forth by the Court in its Order Granting
23 Motion for Preliminary Injunction and are incorporated here by reference. *See* Dkt. #35. After
24 that Order was granted, the parties filed a stipulated Motion to Stay Proceedings wherein
25 Defendants stipulated to the fact that a “liquidating trustee” had been appointed to “wind down
26 Crown LLC,” using this as a basis to stay the case “pending the sale.” Dkt. #36.
27

1 Defendants now file a Motion to “clarify” the Court’s Preliminary Injunction.
2 Defendants inform the Court that the trustee has calculated the value of Crown LLC at one
3 figure but has agreed to sell the assets to Anheuser-Busch for a much lower figure. Dkt. #43 at
4 2. Defendants also state:

5 If the sale proceeds, what was preliminary likely becomes
6 permanent. The majority owner of the business will lose the
7 business without ever having his day in court. That is neither right
8 nor fair, nor is it the purpose of a preliminary injunction.

9 The Court should clarify that the sale cannot occur until the trial on
10 the merits can be held. Alternatively, under Washington law,
11 Crown LLC must be paid the fair market value of the distribution
12 rights AB is acquiring. RCW 19.126.040(4). If the parties cannot
13 agree on the fair market value (and they cannot) arbitration is
14 mandatory under RCW 19.126.040(7). The existing injunction can
15 be read to preclude Crown’s majority owner, Mr. Bargreen, from
initiating that mandatory arbitration. If the Court declines to
restrain the sale, Mr. Bargreen seeks clarification that he can, on
behalf of Crown, pursue the required statutory arbitration
procedure.

16 *Id.* Defendants argue that the pending sale “violates the purpose of the preliminary injunction.”

17 *Id.* at 4.

18 In response, Plaintiff characterizes the instant Motion as an attempt “to re-litigate the
19 exact same issue decided ten months ago” based on the same record. Dkt. #50 at 1. Plaintiff
20 points out that a wind-down of the business and sale were always the goal as presented to the
21 Court.

22 Plaintiff attacks Defendants’ position that the valuation and attempted sale of Crown
23 LLC was somehow improper by citing the Joint Status Report: “The liquidating trustee
24 conducted a bid process and several potential buyers submitted bids. Crown LLC signed a
25 Letter of Intent with the winning bidder and is in the process of negotiating a final purchase
26 agreement.” *Id.* at 2 (citing Dkt. #39).

1 Regarding the need for arbitration, Plaintiff states:

2 The section of the Washington Wholesale Distributor/Supplier
3 Equity Agreement Act that defendants purport to rely upon is
4 completely inapplicable here. It provides a procedure for
5 determining fair market value in the event that a supplier
6 terminates a distributorship without cause. RCW § 19.126.040(4).
7 Crown LLC's distribution rights have not been terminated and so
8 the statute does not apply. There is no "terminated distributor," no
9 "terminated distribution rights," and no "successor distributor"
10 within the meaning of Section 19.126.040. Nor are the parties that
11 would participate in such an arbitration—even if the statute
12 applied, which it does not—before this Court.

13 *Id.* at 3.

14 Defendants did not file a reply brief.

15 The Court agrees with Plaintiff that the instant Motion is either an untimely motion for
16 reconsideration or a motion for preliminary injunction that fails to set forth the proper facts or
17 legal analysis for such a Motion. The Court finds that a wind-down and sale was anticipated by
18 the parties and the Court at the outset of this case and that such cannot serve as a basis for
19 reconsidering the Court's prior Order. Furthermore, Defendants have failed to demonstrate that
20 the sale must be enjoined, or that the bid process resulted in an unfair outcome. The Court
21 agrees with Plaintiff that RCW 19.126.040(7) is inapplicable to this situation because Crown
22 LLC's beer distribution rights have not been terminated.

23 Having considered the briefing from the parties and the remainder of the record, the
24 Court hereby finds and ORDERS that Defendants' Motion for Clarification is DENIED. The
25 Motions to Seal filed by the parties, Dkts. #40 and #45, are GRANTED. Dkts. #43, #50, #51,
26 and #52 shall remain under seal.

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5 DATED this 29th day of November, 2021.
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RICARDO S. MARTINEZ
CHIEF UNITED STATES DISTRICT JUDGE